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IN THE
SUPREME COURT OF THE UNITED STATES
OCTOBER TERM, 1997

Warren Publishing Inc.,
Petitioner,

v.

Microdos Data Corp., *et al.*,
Respondents.

A Petition for a Writ of Certiorari to the United States Court of Appeals for the Eleventh Circuit

REPLY IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI

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Warren Publishing, Inc. ("Warren"), plaintiff-appellee below, submits this reply in support of its Petition For A Writ Of Certiorari ("Cert. Pet.") to review the judgment of the United States Court of Appeals for the Eleventh Circuit in this case.

Respondents in their Opposition ("Opp.") present newly formulated assertions to deflect attention from the conflicts caused by the legal rulings of the Eleventh Circuit's *en banc* decision below with rulings of other circuits regarding the level of creativity needed for factual compilations to be protected by copyright. Similar assertions were resolved against Respondents by the district court, and should not obscure the need for this Court to resolve the conflicts between circuits on these important legal issues.

1. Respondents contend that Warren's comparison of its 406 selected Illinois cable systems with the FCC's listing of 724 cable system communities, Cert. Pet. at 13, was "comparing apples to oranges." Opp. 12; quoting Pet.App. 20a. This fails to recognize, however, that Warren and the FCC define "cable system" differently, and thus the resulting selections of cable systems will necessarily differ. The FCC defines "cable system" as encompassing only a single community:

> (a) Cable system or cable television system. A facility consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide cable service which includes video programming and which is provided to multiple subscribers within a community . . . .

47 C.F.R. § 76.5(a)(1995)[1]; *see* 47 C.F.R. § 76.5(dd)(1995) (same).

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[1] This same definition was in place when Warren's 1988 *Factbook* at issue here was created. 47 C.F.R. § 76.5(a) (1988).

Under the FCC's definition, each community with cable service is considered a separate cable system. *See* Pet.App. 84a (FCC "attempts to list individually every community with a cable system across the country"). In contrast, Warren groups together those communities "that are offered the same service by the same cable system owner at the same price" into distinct cable systems. Pet. App. 82a. Because Warren's definition combines multiple communities meeting the stated parameters into unified cable systems, it is not surprising that Warren's selection of 406 Illinois cable systems is substantially lower than the FCC's list of 724 community cable systems.

Comparing these two lists measures "apples to apples" because both identify "cable systems." That Warren's selection of cable systems differs from the FCC's demonstrates that Warren was not following a convention. Cert. Pet. at 12-13. Dissimilarities between Warren's, the FCC's, and others' cable system selections highlight the originality found in Warren's selection. *See Engineering Dynamics, Inc. v. Structural Software, Inc.*, 26 F.3d 1335, 1346 (5th Cir. 1994)("creativity inherent in EDI's program is proved by the existence of other, dissimilar" programs).

2. To support their contention that the cable system selection in Warren's *Factbook* was dictated by external forces (Opp. at 12), Respondents proffer for the first time a claim that an FCC report "identifies 405 discrete cable systems in the test state of Illinois." *Id.* This newly formulated and unsupported claim is designed to result in a number that mirrors the 406 Illinois cable systems selected for inclusion in Warren's *Factbook*. Opp. at 12. By juxtaposing these two numbers, Respondents seek to imply that the same group of cable systems was originally selected by the FCC and later copied by Warren.

Respondents' implication that Warren's selection of cable systems closely matches this newly proffered grouping of

FCC data is a variation on their "independent creation" defense. Pet.App. 85a. The district court rejected Respondents' previous efforts to show they independently created a selection identical to that in the *Factbook*. The district court found over 120 instances where the FCC data would have led to a different cable system selection from that chosen by Warren. Pet.App. 86a-87a. This finding eviscerates any claim that Warren's selection simply followed an FCC convention, rather than emanated from Warren's independent creation.

Respondents' newly formulated comparison of an FCC report purportedly yielding 405 Illinois cable systems with Warren's selection, Opp. at 12, was not considered below. The *en banc* court below did not employ that comparison, but, instead, compared lists of cable communities, which showed a wide disparity between Warren's list and that of the FCC. Pet.App. 20a. The *en banc* court found that the FCC listed 724 Illinois cable communities while Warren identified 1000 + communities with cable service. *Id.* n.26 and accompanying text. Thus, Respondents' contention rests on a premise not introduced or decided in the decisions below, and which, therefore, should not be considered by this Court.

3. Respondents contend that Warren's selection by "grouping communities being offered the same services at the same prices . . . is nothing more than a statement of how cable systems operate within a given geographical franchise." Opp. 13. Again, they attempt to suggest that Warren's selection merely follows a convention. According to Respondents, "[n]o franchise authority would permit a cable system to offer the same services at different prices within the geographical area of the franchise." Opp. 13-14. Respondents' contention necessarily implies an exact correspondence between "franchise areas" and the 406 Illinois cable systems selected by

Warren.[2]

Respondents' implication does not match reality.[3] Multi-community franchising authorities matching the geographic areas covered by each of Warren's cable system selections are not the norm. Many of Warren's multi-community cable system selections are each governed by multiple franchise authorities.

Because franchising authority resides at the individual community level, Warren's selection of groups of communities served by the same operator with the same service at the same price did not simply mimic groupings already established by franchising authorities. Instead, Warren used its judgment to choose those groups of communities that would be considered cable systems for purposes of the *Factbook*, regardless of whether all communities in the groups were governed by the same franchise authority. Basing the selection on this judgment supports a finding that Warren's selection shows the requisite creativity for copyright protection.

4. Respondents contend that Warren's selection merely follows the wishes of cable operators as to how they want to be

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[2] For example, if Warren selected cable system A encompassing six communities and cable system B with four communities, the franchising authorities regulating them would have to cover the same six communities and four communities, respectively. This pattern must be repeated in all 406 Illinois cable systems selected by Warren for Respondents' implication to be true.

[3] Although state and federal regulatory agencies have authority over some aspects of cable service, *United States v. Southwestern Cable Co.*, 392 U.S. 157, 163 n. 15 (1968) *accord Capital Cities Cable, Inc. v. Crisp*, 467 U.S. 569, 702 (1984), franchising authority resides in "cities, towns and villages, that is, [the] franchise-granting units." Pet.App. 31a; *see Los Angeles v. Preferred Communications*, 476 U.S. 488, 490 n. 1 (1986)(state law granting franchise authority to municipalities).

listed in the *Factbook*. Opp. 14-15. Nothing in the record supports the claims that operators, rather than Warren, select which communities are to be grouped into separate cable systems or which community is to be the principal community identifying a selected cable system.[4] Indeed, that Warren, not the cable operators, makes the selection can be seen on the face of Opp. attachment, Page A-1.

Two selections on Page A-1 – those for the communities of "Warren" and "Washington Park" – contain exactly the same cable system name, address, phone number, manager, chief technician, and ownership. These matches in two separate listings strongly suggest that the cable operator considers the two as a single system and operates them from a community (Lena) that differs from either of the principal communities (Warren and Washington Park) chosen for use in the *Factbook*.

Had Warren slavishly followed cable operator wishes, as Respondents assert, it is unlikely that these two selections would have appeared as they did. Warren's own selection process is revealed in its judgment to include at least two separate cable systems in lieu of what otherwise might appear to be a single system run by this operator. Rather than following cable operator wishes, this choice demonstrates the requisite level of creativity for obtaining protection of the selection found in the *Factbook*.

5. Respondents argue that it "is mere semantics" for

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[4] The presence of preexisting facts in a compilation cannot defeat its copyrightability. The statutory definition recognizes that a compilation includes "preexisting materials." 17 U.S.C. § 101 "compilation"; *Kregos v. Associated Press*, 937 F.2d 700, 705 (2d Cir. 1991)(prior existence of facts "largely irrelevant to the issue of whether Kregos' *selection* of statistics display sufficient creativity . . . . Nearly all copyrighted compilations of facts convey facts that have been published elsewhere.")(emphasis in original).

Warren to claim to seek protection of the *Factbook's* selection when Warren relied "on a detailed system of selection of data as the basis for showing copyrightable subject matter." Opp. 17. The short answer to this can be found in the copyright registration which applies solely to the *Factbook*, not to the system of selection. Pet.App. 7a n. 4. Absent registration, no protection can be sought. 17 U.S.C. § 411(a). In addition, the evidence compared Warren's actual selection of 406 Illinois cable systems with Respondents' list of cable systems. *E.g.*, Pet.App. 83a-85a.

Analysis of Warren's system of selection was introduced to satisfy the *prima facie* element of an infringement claim that the copied portions of a work are original and thus copyrightable. Pet.App. 79a; *see Feist Publications, Inc. v. Rural Telephone Service Co.*, 499 U... 340, 358 (1991)("courts . . . in determining whether a fact-based work is an original work . . . should focus on the manner in which the collected facts have been selected").

Originality requires that the manner of selection be conceived by the author, rather than simply follow convention or otherwise be so banal as to lack any creative spark.[5] On this question, the *en banc* decision below, requiring what the amici, Newsletter Publishers Association *et al.* Brief at 15, term "a towering inferno" to show originality, conflicts with this Court's and other circuits' rulings that only a small spark of creativity is needed. *See* Cert. Pet. at 7-19 (summarizing conflicts on originality issues).

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[5] Respondents contend that reliance on the method of selection would result in "a complicated method of gathering names for a telephone book and a complicated computer program for sorting the names by area and alphabetically" being improperly protected. Opp. 17. Respondents' example applies to an arrangement of facts and is inapposite. The instant issue addresses a selection, which involves issues of how preexisting materials are chosen, not how that selection is then sorted.

Respondents' contention that *Toro Co. v. R & R Products Co.*, 787 F.2d 1208, 1211 (8th Cir. 1986), does not conflict with the *en banc* decision below, Opp. 17, is groundless. The *en banc* decision below creates a *per se* rule that 17 U.S.C. § 102(b) precludes copyright protection for any compilation that employs a system of selection. Pet.App. 17a. The *Toro* court explicitly rejected this approach, and found, instead, that each compilation must be judged on its facts. Cert. Pet. at 8-9. Contrary to Respondents' assertion, the two decisions are clearly and squarely in conflict.

6. Respondents' claims that the merger doctrine bars protection, Opp. 18-21, repeat an error of the *en banc* decision below which conflicts with similar decisions by other circuits. Cert. Pet. at 15-17. The error is that of examining the idea behind the particular expression chosen, rather than the idea behind the overall work, to determine whether merger has occurred. *See* Opp. at 19 ("The expression of selecting community names to identify the geographic areas served by cable systems, with cross-indexing from smaller communities for multiple-community cable systems, merges with the idea").[6]

But looking at one expression does not address whether the idea behind the *Factbook*, to present data about cable systems, can be expressed in ways other than the selection used by Warren. Other ways of presenting data about cable systems were already being used by the FCC and Warren's competitors. Pet.App. 84a-85a. Still yet unused ways of grouping cable systems are possible. For example, someone may group by system name, so that instead of the *Factbook's* separate listings in the case of "Warren" and "Washington Park," Opp.

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[6] Respondents' have not accurately portrayed Warren's principal communities identification process: the suggestion that the principal community is always the largest community in multiple community situations is inaccurate.

attachment, p. A-1, they might, instead, be listed under the owner's name, or grouped under the system's headquarters in Lena. Multiple possibilities apart from the one chosen by Warren preclude application of the merger doctrine.

Respondents' contention that Warren's selection should be left unprotected because "there is but one way to express the community name for the geographical area," Opp. 20, misses the point. Warren does not and cannot seek protection in any one individual community name. Rather, protection is sought in the entire selection of 406 Illinois cable systems. Some overlap between two selections using community names was to be expected without causing infringement. *See* Pet.App. 85a (district court used a baseline overlap of 82.25%). Infringement was found, however, due to the virtual identity (greater than 90% match) between Warren's and Respondents' Illinois cable system listings. Pet.App. 84a. Such identity is properly regarded as infringement.

7. Respondents' efforts to obfuscate with new factual and legal assertions should not obscure the absence of any persuasive legal grounds for denying Warren's petition. Serious conflicts exist between the *en banc* decision below and the rulings of other circuits on similar questions as well as with the governing statute and decisions of this Court, as was demonstrated in Warren's petition and the amici briefs.

The *en banc* decision below diminishes the incentives for creators of compilations to continue their efforts. Those efforts further the underlying goal of copyright, to advance learning, by providing the public with greater access to information in readily-usable formats. As such, compilations deserve the full protection of the law, not the artificially restrictive approach taken by the *en banc* decision below.

CONCLUSION

For the reasons stated herein and in Warren's petition, the writ of certiorari should be issued.

Respectfully submitted,

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